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**FISCAL IMPACT STATEMENT**

**LS 6981**

**BILL NUMBER:** SB 335

**NOTE PREPARED:** Feb 28, 2005

**BILL AMENDED:** Feb 22, 2005

**SUBJECT:** Department of Tourism.

**FIRST AUTHOR:** Sen. Simpson

**FIRST SPONSOR:** Rep. Espich

**BILL STATUS:** As Passed Senate

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) The bill establishes the Office of Tourism and transfers tourism functions of the Lieutenant Governor (transferred from the Department of Commerce in P.L.4-2005) to the Office of Tourism. The bill also makes other conforming changes.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** (Revised) This bill changes the reorganization of tourism functions and programs specified under P. L. 4-2005 (HEA 1003-05). Under P. L. 4-2005, the Indiana Department of Commerce (IDOC) is abolished and the tourism functions of the IDOC are transferred to the Office of the Lt. Governor on the effective date of this act. The bill changes this reorganization by establishing an Office of Tourism Development. Under the bill, the Director of the Office of Tourism Development (who is the executive and chief administrative officer of the Office) is appointed by, and serves at the pleasure of, the Lt. Governor. The organizational changes made by the bill are effective July 1, 2005, and are not expected to have a fiscal impact. The bill provides that the State Budget Agency will make determinations as to whether appropriations to the Lt. Governor, the Indiana Department of Commerce, or the Indiana Economic Development Corporation are related to tourism and are to be transferred to the Office of Tourism Development on July 1, 2005. Other changes made by the bill are as follows.

(1) Under the bill, the Tourism Information and Promotion Fund is transferred to, and it to be administered by, the Office of Tourism Development. The bill requires the Office to establish guidelines for the application and approval of grants from the Fund, and authorizes the Office to obtain recommendations from the Indiana Tourism Council when making determinations on grant applications. Under current statute unchanged by the

bill, the Fund is nonreverting. As of December 31, 2004, the Tourism Information and Promotion Fund had a balance of \$342,030 (which was the balance at the end of FY 2004)

(2) The bill also repeals the Tourism Marketing Fund which had a zero balance on December 31, 2004 (which was the balance at the end of FY 2004).

(3) The bill eliminates the Tourist Information and Grant Fund Review Committee which reviews applications, and makes recommendations, for grants from the Tourism Information and Promotion Fund. The Committee currently serves without pay or reimbursement of expenses. Under the bill, the review and recommendation functions would be shifted to the Indiana Tourism Council.

(4) The bill requires the Indiana Tourism Council to make budget recommendations to the Lt. Governor.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Economic Development Corporation; Lt. Governor; Tourist Information and Grant Fund Review Committee; Indiana Tourism Council.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Jim Landers, 317-232-9869.